

Guidelines for Requesting, Issuing, and Using Maintenance and Service Contracts

Maintenance Agreements and Service Contracts are used by various state agencies to develop agreements whereby a contractor or maintenance company is available to perform routine maintenance or accomplish small construction work on a pre-bid cost basis.

Maintenance Agreements are for items such as maintaining elevators, maintaining chillers, and maintaining HVAC control systems. These items are considered "Preventative Maintenance" as defined in Idaho Code Section 67-5710B. By this definition, they **do not** fall within the responsibility of the Division of Public Works (DPW). Maintenance Agreements do not require the use of licensed Public Works Contractors, nor do they require performance and payment bonds.

Service Contracts provide a means to construct facilities, to include minor construction projects, or to perform specialty construction such as carpet or electrical work. These items are "Public Works" as defined in Idaho Code Section 67-5710B. If the estimated annual expenditure for these contracts exceeds \$100,000, they **do** fall within the responsibility of the Division of Public Works and the Permanent Building Fund Advisory Council. Service Contracts are assigned by DPW to Facilities Services, or they are delegated to individual institutions or state agencies. Permanent Building Funds are usually not used for Service Contracts; but, with permission, they may be used for certain project components.

Service Contracts **do** require competitive bidding. They also require the use of licensed Public Works Contractors and performance and payment bonds.

In addition, Service Contracts do require an affidavit certifying compliance with the drug-free workplace program (Idaho Code, Title 72, Chapter 17) and the Governor, by Executive Order, that the contractor employs only US Citizens or those authorized to work here.

A Service Contract may be used for services the cost of which is less than \$200,000 per Service Contractor, per project. The total dollar value of Service Contracts, used pursuant to this paragraph, may not exceed \$300,000 per project. These limits do not apply to floor covering contracts. (Council Policy 3-4-08)

The work under the Service Contract will include labor, materials and equipment, or labor only, with the state agency providing the material or equipment. Division of Purchasing rules apply to material and equipment purchases.

Each Service Contract will be competitively bid; the contract having no annual dollar limit will be for one year with an option for two, one-year extensions.

For projects associated with the Capitol Restoration / Expansion, including preparation of swing space, a Service Contract may be used for services the cost of which is less than \$200,000 per Service Contractor, per project. The total dollar value of Service Contracts used per this paragraph may not exceed \$600,000 per project. These limits do not apply to floor covering contracts. (Council Policy 11-2-06)

Project number assignment and delegation approval are kept on file at DPW for delegated Service Contracts. In almost all cases, contracts are maintained and funds are administered by

the using agency. It is acceptable for one agency to use a Service Contract maintained by another agency, if granted permission to do so.

When an agency determines a need for a Service Contract, the agency will submit a written request to the Administrator of DPW for delegated authority to enter into an annual Service Contract. A Delegated Service Contract Worksheet will be included with the request and identify the source of funding, expected annual expenditure, and a brief description of the required "scope of work."

DPW staff is available to assist agency requests for Delegated Service Contracts. A sample "Request for Service Contract Delegation" letter and a Delegated Service Contract Worksheet are enclosed with this memorandum. Bid procedures and sample contracts are available from DPW/Facilities Services.

The types of Service Contracts used by agencies include:

Doors and Hardware	HVAC	Paving
Light Construction	Electrical	Roofing
Plumbing	Low Voltage/Data	Asbestos
Mechanical	Floor Covering	Painting

Note: The statute referenced above can be accessed via the following Internet link:

<http://www3.state.id.us/cgi-bin/newidst?sctid=670570010B.K>

The PBFAC Policies are found at:

http://adm.idaho.gov/pubworks/pdf/PBFAC_Policies.pdf

SAMPLE: REQUEST FOR SERVICE CONTRACT DELEGATION

DATE

Mr. Tim Mason
Administrator
Division of Public Works
Post Office Box 83720
Boise, Idaho 83720-0072

Subject: Request for Delegation of a Service Contract for (Type of Work)

Dear Mr. Mason:

(Name of Agency) would like to request delegated authority to bid and enter into a (Type of Work) Service Contract for (Name of Facility).

(Insert reference to a former, or expired, contract here.)

(Insert total expected yearly expenditure and source of funds here and expected number of annual extensions, not to exceed two annual extensions.)

Attached is a Delegated Service Contract Worksheet for this project. We would ask that you expedite this request so that we may begin the process of developing specifications for bidding.

Please contact me at (Phone Number) if you have any questions.

Thank you for your assistance in this matter.
Sincerely,

(Agency Signature Authority)
(Title)

Enclosure

DELEGATED SERVICE CONTRACT WORKSHEET

AGENCY:	
AGENCY CONTACT:	
PROJECT NAME:	
ESTIMATED EXPENDITURE:	

SCOPE OF WORK:

SPECIAL INFORMATION, COMMENTS:

NOTE: All Public Works laws and procedures will be followed in the administration of this public works project.

SIGNATURE: _____

FOR DPW USE ONLY

DPW PROJECT NO.: _____D	DATE APPROVED :
PROJECT TITLE:	
FUNDS AUTHORIZED:	
CODING:	

Project Delegation

DELEGATED PROJECT AUTHORIZATION AND PROJECT PROCEDURES

A. AUTHORIZATION

Idaho Code Section 67-5710A (2) allows the Administrator to delegate control over design, construction, and all other aspects of a Public Works or Maintenance project which costs less than \$150,000 to agencies of state government on a project-by-project basis, subject to the approval of the Permanent Building Fund Advisory Council (PBFAC).

B. PBFAC DELEGATION OF AUTHORITY

For projects up to \$80,000, the Administrator of the Division of Public Works (DPW) may proceed with delegation, with the stipulation that a report of the delegation be made to the Council at the next regularly scheduled PBFAC meeting.

Requirements and Limitations

A responsible party of the requesting Agency shall make requests for delegation in writing. Letters of request should include an estimated project completion date and are to be accompanied by a Delegated Project Set-Up Sheet delineating the scope of work and project budget.

The Agency shall assume all responsibility for project budgets and shall receive funds appropriated for the project.

The Agency must comply with all public works statutes and all applicable codes and regulations.

The Agency must comply with guidelines and procedures of DPW and the PBFAC for project design and construction.

State Agencies may not use Permanent Building Fund contingency funds unless specifically approved by the PBFAC.

Sole source or limited competition is not allowed without prior written authorization of the Administrator.

Standard documents adopted by DPW are to be used for professional service and construction contracts.

Procedures

Following approval of delegation, either by the Administrator or the PBFAC, the Administrator will inform the Agency in writing.

Unless in-house design by registered professionals within the Agency has been approved, the Agency is to proceed with the selection of the design professionals as required by law and authorized by the PBFAC. This can be accomplished by use of the DPW pre-selected Regional Architects and Engineers, selection by the DPW mid-range process or by advertising and issuing requests for proposals.

If other than in-house professionals or the DPW Regional Professional Contracts are used, the architect/engineers must be approved by the PBFAC prior to contracting with them.

Submit plans and specifications to code authorities and obtain approval prior to bidding.

Advertise the project as required by law, and proceed with the bidding process.

Hold a public bid opening.

Evaluate the bids and determine low responsive bidder.

If bids cause the project to exceed the \$150,000 limit of authorization for delegation of projects, report to the PBFAC for increased budget approval prior to award of contract.

Prepare and issue contracts, and proceed with construction.

Submit tax report form to the Idaho State Tax Commission.

Provide for site inspection by an approved code inspector.
Make all payments to design professionals and contractors in a timely manner.

Conduct final inspections and obtain releases.

Submit a final project accounting to DPW within sixty (60) days of completion for reporting to the PBFAC

Return all unused Permanent Building Funds to DPW.